

## ELDER FINANCIAL EXPLOITATION DEFINED

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### First a Definition: Alabama Adult Protective Services Act

- Exploitation:
  - The expenditure, diminution, or use of the property, assets, or resources of a protected person without the express voluntary consent of that person or his/her legally authorized representative or the admission of or provision of care to a protected person who needs to be in the care of a licensed hospital by an unlicensed hospital after a court order obtained by the State Board of Health has directed closure of the unlicensed hospital. §38-9-2(8)

### A Better Definition?

- Elder Financial Abuse encompasses, but is not limited to:
  - Taking money or property
  - Forging elder's signature
  - Getting elder to sign a deed/will/POA through deception, coercion or undue influence
  - Using elder's property or possessions without permission
  - Promising lifelong care in exchange for money or property and not following through on the promise
  - Credit card fraud
  - Home improvement scams
  - Telemarketing/sweepstakes/fake check/email scams
  - Investment fraud

### Let's try this one:

- Elder Financial Exploitation/Abuse:
  - Any illegal or improper use of an elder's funds, property, or assets.

### Perpetrators? Who would do this?

- Family Members
- Predatory Individuals
- Unscrupulous Professionals

### Family Members

- Family Members, including sons, daughters, grandchildren or spouses that may:
  - Have substance abuse, gambling or financial problems
  - Stand to inherit and feel justified in taking what they believe is "rightfully" theirs
  - Fear that their older family member will get sick and use up their savings, depriving the abuser of an inheritance

## Predatory Individuals

- Individuals who may seek out vulnerable seniors with the intent of exploiting them that may:
  - ▣ Profess to love the older person—classic “sweetheart scam”
  - ▣ Personal Care Attendants
  - ▣ Identify vulnerable persons by driving through neighborhoods or through obituaries in local newspapers
  - ▣ Be transient criminals that move from community to community

## Unscrupulous Professionals

- Doctors/Attorneys/Accountants that may:
  - ▣ Overcharge for services or products
  - ▣ Use deceptive or unfair business practices
  - ▣ Use their positions of trust or respect to gain compliance

## Vulnerability

- Any elder is vulnerable to becoming financially exploited, however, these factors may increase that risk:
  - ▣ Isolation
  - ▣ Loneliness
  - ▣ Recent losses (spouse/children)
  - ▣ Physical/mental disabilities
  - ▣ Lack of familiarity with financial matters
  - ▣ Have family members who are unemployed and/or have substance abuse problems

## Attractive Targets

- Why do Elderly Make Attractive Targets?
  - ▣ Many seniors do not realize the value of their assets
  - ▣ They are more likely to have disabilities that make them dependent on others for help
  - ▣ They have predictable patterns
  - ▣ They are less likely to take action against their abusers
  - ▣ They are unsophisticated on financial matters
  - ▣ They are trusting

## Warning Signs!!

### Three Areas of Concern

- Financial
- Inheritance & Wills
- Caregivers

## FINANCIAL

- Activity inconsistent with elder's ability—ATM usage by physically impaired person
- Increased credit card activity
- Cashing out CD's/Savings accounts
- New authorized account signers
- Change in property title or new/refinanced mortgage
- Elder confused about recent financial transactions

## INHERITANCE/WILLS/TRUSTS

- Recent change in Power of Attorney
- Recent change in Will or Trust when elder is clearly incapable to authorizing change
- Recent change in Will or Trust to favor a new or much "younger" friend

## CARETAKER

- Elder now reluctant to discuss matters that were once routine
- Elder seems apprehensive of the outside world
- Caregiver says elder is not willing/able to accept visits/calls
- Caregiver often speaks for elder, even elder is present
- Caregiver has no means of support other than elder's income

## Not so Obvious forms of Financial Abuse!!

- There are two areas of financial abuse that elders fall victim to everyday that are not so obvious and usually go unreported:
  - ▣ FAKE CHECK SCAMS
  - ▣ TELEMARKETING PRACTICES

## FAKE CHECK SCAM

### WHAT IS THIS??

- A type of fraud that could cost an elder thousands of dollars before detected
- It starts when someone gives you a check that looks real and ask you to cash it and then wire part of the cash somewhere in return
- It's phony and so is the person's story: but it could take weeks to discover and that is exactly what the crook is counting on!!

## Most Common Types of Fake Check Scams

- Sudden Riches
- Mystery Shopper
- Government Grants
- Overpayments
- Sweetheart/New Friend
- Grandparent Scams

## Sudden Riches

- Usually appears in lottery or sweepstakes forms and occasionally the death of a relative form.
- Leads the victim to believe they are about to receive a windfall of cash and includes a check as an advance.
- Instructions are to cash the check and use a partial amount of the money for "taxes" or "processing" fees.
- The catch: 10 to 14 days later the check comes back to the bank as no good and the victim is responsible for the check.

## BUT WAIT!!!!!!!

Hold on, wait just a minute.....  
If my bank cashes the check then it's their problem  
RIGHT???

**WRONG!!!!**

- You, not the bank, is presenting the check as good for payment
- The bank/financial institution accepts the check based on Your identification. They do not have any information about the source
- You are ultimately responsible for repayment of the funds and this is exactly what the **SCAMMERS ARE COUNTING ON!**
  - Financial Institutions are beginning to put into place policies and procedures to assist victims

## Mystery Shopper

- Mystery Shopper
  - Hired to conduct "mystery shopping" and rate specific stores
  - Given a check, instructed to cash check and spend specific amounts at each business
    - Western Union/Money Gram, etc. always a store listed to rate with the largest portion of the check being used here

## Government Grants

- Government Grants
  - Victim told they have been selected to receive government grant and is sent a check for part of total amount
  - Instructed to cash check and send part of it back for processing fees

## Overpayments

- Overpayments
  - Victim has something for sale listed in local paper
  - Scammer offers to purchase but overpays
  - Tells victim if they will cash check they can keep part of overpayment for their trouble

## Sweetheart Scams

- Sweetheart Scams:
  - Scammer poses as a romantic interest or a new friend in elder's life
  - After building a rapport, scammer hooks elder into cashing checks.
    - Usually starts out with small amounts, then builds to larger amounts and eventually wipes out account

## Grandparent Scams

- Grandparent Scams
  - Scammer usually calls late at night or in the early morning hours and says they are grandchild
    - "Hey grandma this is 'Johnny and I am in jail in Canada and I need \$5000 for bail money."
  - Instructs grandparent to wire money to a specific place
  - Grandparent does so in a panic before checking to see if grandchild is really out of the country

### The Crooks are Warning us!!!

#### READ THE LETTER!!

- How was notification received?
- Where did the notification come from ?
- What does the notification/letter actually say?  
Does it may sense?
- Are there misspelled words?
- Where was the postmark from?

### TRUST YOUR COMMON SENSE!

Before you cash that check, ASK yourself—

- Why has the winner not been announced on TV?
- Why am I required to pay taxes/fees upfront?
- Why are the taxes not being paid directly to the IRS?
- Why would the US need Canada to distribute government grant money?
- Did I actually buy a lottery ticket/enter a sweepstakes?
- Why does the buyer of your item expect you to trust them by allowing them to write the check for more than the purchase price when a bank would not?

### THE MOST IMPORTANT QUESTION TO ASK YOUR CLIENT AND YOURSELF!!

- What makes you/me so SPECIAL out of the BILLIONS of people in the World that someone/company would give you/Me free money?

### Telemarketing Practices

- Is there Elder Financial Abuse in Telemarketing?
  - ▣ Absolutely!!

### Ever heard of these types of statements?

- Buy one get 5 free!!
- All you have to pay is processing & handling fees!

Do you REALLY get five sets for FREE?

**Let's do the math and see  
how much FREE actually  
cost!!**

FREE = \$109.89

FREE GIFTS COST!!

S & H on 3 **Free** LED Lights—

\$9.99 x 3 = \$29.97

S & H on 5 **Free** pks of the actual item—

\$9.99 x 5 = \$49.95

S & H on 3 **Free** Jewelry Storage Boxes—

\$9.99 x 3 = \$29.97

FREE = **\$109.89**

Protections?

- The number one and most important protection against Elder Financial Exploitation is
- EDUCATION!

Protections?

- Alabama Department of Human Resources; Adult Protective Service Act--§38-9-1
- District Attorney
  - ▣ Attorney General
- Alabama Securities Commission
- SB262, The Alabama Interagency Council for the Prevention of Elder Abuse

Protections?

§38-9-1 (in part...)

- ❖ It shall be unlawful for any person to abuse, neglect, exploit, or emotionally abuse any protected person.....
- ❖ Any person who exploits a person in violation of this chapter shall be guilty of a Class C felony.....Amount exceeds \$100
- ❖ Any person who exploits a person in violation of this chapter shall be guilty of a Class A misdemeanor....Amount does not exceed \$100

Protections?

- SB262—Alabama Interagency Council for the Prevention of Elder Abuse
  - ▣ Signed into law May 2012
  - ▣ Legislative Advocacy Committee
  - ▣ Community Outreach/Professional Training Committee

□ **QUESTIONS?**